



December 4, 2020

The Honorable Jocelyn G. Boyd
Chief Clerk and Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

**Re: Duke Energy Carolinas, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20 and Duke Energy Progress, LLC's Establishment of Solar Choice Metering Tariffs Pursuant to S.C. Code Ann. Section 58-40-20
Docket Nos. 2020-264-E and 2020-265-E**

Dear Ms. Boyd:

The North Carolina Sustainable Energy Association ("NCSEA") and the Solar Energy Industries Alliance ("SEIA") write this letter to express their conditional support for the Stipulation filed by Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (DEC and DEP, collectively, "Duke") in the above-noted docket on November 2, 2020 ("November Stipulation") and to provide the Public Service Commission ("Commission") with an understanding of the broader context of the November Stipulation.

Our support for the November Stipulation is conditional because these dockets only encompass a portion of the necessary approvals that are part of a broader agreement which combines multiple concepts in creating a future for solar choice in South Carolina. That broader agreement was described in a filing to this Commission on September 21, 2020 in predecessor dockets 2019-169-E and 2019-170-E, and was publicized through a press release. The more formal expression of the agreement is attached as Exhibit A to this letter, which is the executed Memorandum of Understanding entered into by DEC, DEP, NCSEA, the Southern Environmental Law Center (on behalf of South Carolina Coastal Conservation League, Southern Alliance for Clean Energy, and Upstate Forever), Sunrun, Inc., and Vote Solar on September 21, 2020, and to which SEIA was joined on December 2, 2020 ("September MOU"). We support full implementation of the September MOU, and the Solar Choice tariffs proposed in this docket are only the first step in making the resolution reached in the September MOU a reality.

The September MOU was the product of negotiations between all signing parties and represents a comprehensive policy solution for moving customer-sited solar forward in South Carolina, and is in alignment with statutory requirements from Act 62. Specifically, the September MOU addresses Solar Choice as described in S.C. Code Ann. § 58-40-20 and electrical utility customer rights as addressed in S.C. Code Ann. § 58-27-845.¹

Duke's application in the above dockets, and its submitted November Stipulation, are an important step in effectuating the September MOU, and we urge the Commission to examine the full intent and content of the September MOU, which includes interconnected provisions meant to be considered as a whole.

In other words, in the instant proceedings, Duke is seeking approval for one aspect of the September MOU, which addresses rate design for customer-sited solar. The September MOU includes additional provisions which Duke plans to address in future dockets, notably an energy efficiency incentive program for customer-sited solar that is paired with a smart thermostat ("Solar BYOT EE Incentive"). The relationship between the proposed Solar Choice rates and the agreed upon Solar BYOT EE Incentive was explicitly acknowledged by the parties in the MOU, which states:

The Companies would propose incentives (the "Incentives") *in conjunction* with the Permanent Solar Choice Tariffs to the PSCSC and the NCUC upon the terms and conditions on Exhibit C.²

Additionally:

The Parties would vigorously advocate for the TOU rate *as a combined offering* which complies with Act 62, and would work in good faith to ensure that the details of the *combined offering submitted to the PSCSC* and the NCUC complies with the requirements of Act 62 and supportive of advancement of these options in accordance with North Carolina law. Furthermore, the Parties recognize that their support of the proposed resolution is based on the *interlocking components of the entire proposal*

¹ See General Assembly in S.C. Code Ann. § 58-27-845(B) (providing "[e]very customer of an electrical utility has the right to a rate schedule that offers the customer a reasonable opportunity to employ such energy and cost saving measures as energy efficiency, demand response, or onsite distributed energy resources in order to reduce consumption of electricity from the electrical utility's grid and to reduce electrical utility costs").

² Exhibit A, p. 2 (emphasis added).

and that if the PSCSC or the NCUC rejects any one aspect of the proposed resolution, then it may require renegotiation of other aspects of the proposed resolution.³

Given that total agreement is reliant upon the Solar BYOT EE Incentive, we believe it is important to continue to highlight that the entire agreement reflected in the September MOU, including the Solar BYOT EE Incentive, is essential for the economic viability of customer-sited solar in South Carolina and compliant with the directives laid out in Act 62. The September MOU builds upon EE measures approved by the Commission and pending enhancements.⁴ As such, NCSEA and SEIA support the November Stipulation but emphasize that this support is contingent upon the Commission approving the Solar BYOT EE Incentive as described in the September MOU.

When taken together, NCSEA and SEIA believe that the rate design proposed in the instant docket coupled with the Solar BYOT EE Incentive as described in the September MOU create a fair structure for residential customer-sited solar. The two sets of policies further address peak demand and reduce total system costs, creating benefits for Duke and for all consumers. To be clear, the rate design component for which Duke seeks approval in the instant proceedings is an important element of the comprehensive Solar Choice Tariff program negotiated between the parties of the September MOU, but it is not the *only* part. Critically, the rate design aspect by itself is only part of the September MOU, and only when taken as a whole would it benefit all South Carolina stakeholders. NCSEA and SEIA support an outcome where the remaining aspects of the September MOU are approved – whether in this proceeding or in subsequent, contingent proceedings. All parties to the September MOU and November Stipulation are committed to working together across those dockets for the benefit of the solar industries, clean energy advocates and all ratepayers.

However, as reflected in the September MOU, NCSEA and SEIA would not support an outcome where the Commission approves those aspects of the September MOU included in the November Stipulation but does not approve – whether in this proceeding or in subsequent contingent proceedings – the Solar BYOT EE Incentive and other aspects of the September MOU.

³ Exhibit A, p. 16 (emphasis added).

⁴ Duke's Bring Your Own Thermostat ("BYOT") programs were approved by the Commission in March 2018 (Order Nos. 2018-180 and 2018-181). On October 2, 2020, Duke filed modifications to the BYOT programs which will provide a path for some COVID relief for customers in arrearages as well as be a complement to the Solar Choice tariffs as contemplated in the September MOU. The request is pending Commission approval. Duke will be filing a solar related EE program utilizing the thermostats soon.



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While NCSEA and SEIA contingently support the November Stipulation, the Commission should be aware that it is only one piece of a larger policy package, and that the provisions of the November Stipulation only advance residential solar when they are paired with the remaining aspects of the September MOU. We look forward to engaging as intervenors in this proceeding.

Respectfully yours,

/s/ Peter H. Ledford

On Behalf of the North Carolina Sustainable Energy Association

/s/ Sean Gallagher

On Behalf of Solar Energy Industries Association



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EXHIBIT A